



Saturation Mailers Coalition

Postal Regulatory Commission
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Donna E. Hanbery, Esq., Director
33 South Sixth Street, Suite 4160
Minneapolis, MN 55402
(612) 340-9350 Direct Line
(612) 340-9446 Fax
HANBERY@HNCLAW.COM

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EVERY DOOR DIRECT MAIL DISCOUNT
DOCKET NO. R2020-2

COMMENTS OF THE SATURATION MAILERS COALITION
TOO LITTLE – TOO LATE

The Proposed EDDM discount puts symbolism over substance. Marketing mailers and saturation mailers need meaningful Postal incentives sooner rather than later to help bring back mail volumes to pre-COVID levels.

This letter and comments are submitted to the Postal Regulatory Commission to put the views of the Saturation Mailers Coalition (SMC) on record in connection with the Every Door Direct Mail EDDM Retail Discount filing but, more significantly, to repeat the appeal we have been making since the COVID-19 pandemic began. Saturation mailers, and other Marketing Mailers, need an immediate, meaningful, incentive, discount, or other rate relief to preserve, and bring back, mail volumes.

THE EVERY DOOR DIRECT MAIL DISCOUNT SHOULD BE APPROVED

The EDDM discount should be approved. It meets the requirements of the law. Although the filing of this discount sends mixed, and many wrong, messages to the Postal Service's most loyal, and "profitable" saturation mailers, now is not the time for the mailing industry, or this Commission, to find reasons to say "no" to the Postal Service when it tries to help any customer. For those reasons, the Saturation Mail Coalition supports the Every Door Direct Mail Discount proposed.¹

MARKETING MAILERS AND SATURATION MAILERS NEED RELIEF TO RESTORE OR
RETAIN MAIL VOLUME

When the COVID-19 pandemic began, SMC immediately informed the USPS COVID-19 response team that the closure of American's retail and service businesses would have a devastating impact on saturation mailers – that had commitments to mail – but advertising

¹ It is worth commenting that small business retailers are too busy in these stressful times to attempt or want to do their own EDDM retail mailings. Even with a 10% discount, an EDDM mailing will cost a small business much more than participating in a shared mail program, such as buying a coupon in a shared mail magazine, envelope, an insert in a shared mail package, or an ad in a free circulation paper. Shared mailers provide turnkey, more affordable, advertising solutions, for America's small business than an EDDM retail piece – even with a discount.

customers that couldn't sell. We joined with PostCom to appeal to the Postal Service for emergency measures to help the mailing industry combat the economic fallout from the COVID-19 crisis. On March 31, 2020 we asked the USPS to propose immediate incentives that would benefit commercial and nonprofit mail volumes. The PRC, commendably, responded at once indicating it was willing to work with the industry.

April 24, 2020, Megan Brennen responded that the Postal Service "is not in a position to adopt an across the board decrease in prices, to change our requirement that postage be paid at the time of mailing," or to make suggested changes in rates. She wrote, "be assured, the Postal Services recognizes the importance of a thriving mailing industry to our long-term financial sustainability." The letter went on to promise that the Service would consider "potential options to encourage mailers to return to the mail as our situations stabilized...we will continue these efforts as we evaluate promotions, incentives, and other opportunities to jump start the mailing industry as the economy recovers."

The EDDM retail discount is not a "jump start. Even if it helps some small business, it is leaving the Service's most loyal, high volume and high contribution customers to flounder and shut their doors.

In March, Money Mailer, a coupon envelope saturation mailer that had served micro businesses with affordable coupons for decades closed. Shared Mailers, guarantee advertisers a fixed frequency, (frequently weekly), mail program, selling participation in a shared mail package, coupon magazines, envelope, or free paper for a fraction of the cost of "solo" postage. Shared mailers have contractual commitments to their customers to keep mailing week after week, area after area, even as stores closed and advertisers cancelled business. Our appeals to the USPS for help were appeals to help us keep mailing, even as our customers had nothing to advertise.

SMC Members could not stop promised mailings. Instead, our members lost money on mailings while paying full postage for months. The Postal Service's inability to respond has left saturation mailers going out of business, reducing frequency, and slashing geographic coverage. These losses are not in the numbers the Service reported during the worst of the shutdown. But they are lasting losses for the Postal Service. In June, a shared mailer that had mailed weekly to every home in the state of Maine went out of business. SMC members have been forced to cut volumes and postal spend in staggering numbers. This will impact the Postal Service for months and years to come.

Other Marketing Mailers can tell similar stories.

If the Postal Service wants to help itself and its customers, it needs to be faster on its feet to respond to market conditions. Its leadership must stop worrying about "what Congress or the Administration might think" as the Postal Service is seeking funds for COVID-19 additional costs or temporary lost volumes. The Service needs to focus on its customers.

This is an appeal for the PRC, the USPS and its new PMG, to focus on the Postal Service's customers. Marketing Mail helps connect consumers and local businesses and keeps the mailbox relevant. The Postal Service is not just another shipper. It needs a mix of interesting mail in the

mailbox to keep its business model and high fixed costs even close to sustainable.

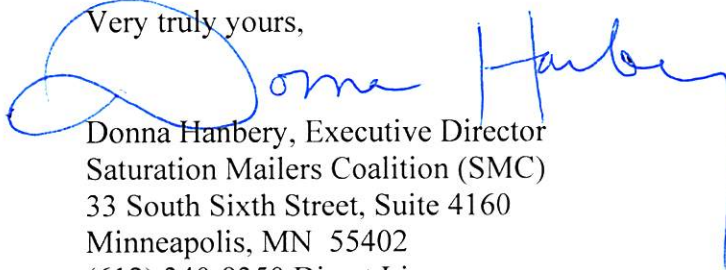
When the EDDM retail filing was announced, SMC was able to participate in a PostCom Board meeting. We proposed, and the Board unanimously resolved to send a letter, once again, to Postal Service leadership that read in part:

The USPS needs to announce and promptly proceed with a significant price incentive for the USPS Marketing Mail products that serve the retail and services businesses that the USPS recognizes are suffering in its recent EDDM retail filing. These customers are also struggling, and many perceive the EDDM discount - the ONLY discount or incentive announced to date – as competing directly with their businesses and mail programs. Such an incentive through the end of the year would help with store volumes to pre-COVID levels.

The USPS must signal to and assure their most loyal customers and supply chain partners (who have already reached out to you with their COVID-19 relief and were told “no – not now”) that you are listening and soon offer something designed to help these mailers bring back customers and mail. Now is not the time to focus solely on Congressional or Administrative optics. It is not a mixed message to be reaching out to help keep and bring back your loyal, predictable, high-volume high-contribution customers.

The Postal Service has a business model that is not flexible. It is burdened with high fixed costs that will not be easily reduced in the short term. The USPS should look at all of its high contribution, high mark-up Mail products and not worry that these customers “might mail anyway”. The Postal Service has little to lose, and much to gain, by offering a meaningful discount or incentive that will help bring incremental business back to the Postal Service. The Service needs to give a reason for its current customers, that are ready to “give up”, and are looking at ways to leave mail or reduce their Postal spend by reducing frequency and geography, to believe the USPS can respond to customer needs and fight to keep businesses in the mail.

Very truly yours,



Donna Hanbery, Executive Director
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